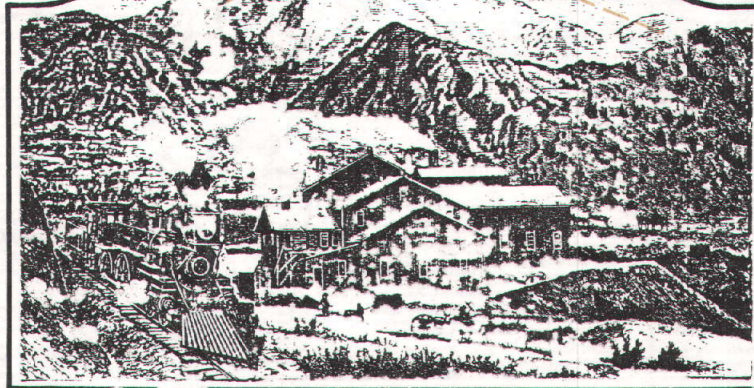


STAR MOUNTAIN GOLD

M/001/019

DOGM RECEIVED
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September 27, 1997

ATTN: Mr. Russell Horton
INDIAN QUEEN MARBLE PROJECT
P.O. Box 150271
East Ely, Nevada 89315

RE: Reclamation Estimate
Indian Queen Marble Project
Beaver County, Utah

Dear Russell;

After review of your Reclamation Treatments Map, dated August, 1997 as well as other related information I have arrived at a cost estimate to perform the reclamation requirements on the Indian Queen site. The estimate is based on labor, materials and equipment costs as of September, 1997. Equipment pricing was based on offers made by John Orton Excavating, Inc. of Cedar City, Utah and Rancho Equipment Services of Delta, Utah. Seed and fertilizer prices were obtained from Steve Regan Company of Salt Lake City, Utah. A cost breakdown is attached to this letter and explains the actual costs and requirements to perform the various reclamation activities for each area as shown on the colored Reclamation Treatments Map provided. A summary of the costs per acre are as follows:

Existing Disturbances = 5.67 acres
Reclamation costs per acre for existing disturbances = \$795.75
Total combined acreage of existing + proposed disturbances = 12.65 ac.
Average cost per acre for reclamation of total acreage = \$1232.094
Cost for fencing two mine shafts = \$224.00
Total price for all reclamation work = \$15585.88 + \$224.00 for shaft fencing equals \$15809.88.

The difference in acreage costs between the estimate for existing disturbances (5.67 ac) and total acreage (12.65 ac) is largely attributed to equipment mobilization/demobilization factors and could vary according to the amount of acreage reclaimed at one time, thus reducing the 12.65 acre price significantly.

Please feel free to contact me if you have any questions. Thank you.

Sincerely,

Byron C. Muir
Byron C. Muir

0005

RECLAMATION ESTIMATE

September 27, 1997

Indian Queen Marble Project
SE $\frac{1}{4}$, SE $\frac{1}{4}$, Sec. 33, T26S, R13W
Beaver County, Utah

<u>Map Color</u>	<u>Acreage</u>	<u>Reclamation Treatment</u>	<u>Equipment</u>	<u>Hrs.</u>	<u>Cost</u>
1. (purple)	0.60	Reshape mine dump & Redistribute salvaged top soil. Equipment mobilization Hand seeding & fertil- izing; Two men + mileage. Approved seed mix 6,72 lbs. Diammonium Phosphate 50 lbs.	Case 580 Backhoe	18 2 4	440.00 110.00 95.00 85.34 11.10
				Total Cost	\$741.44
2. (orange)	0.50	Reshaping highwall area utilizing existing onsite backfill material. Prep- aration for seeding; no topsoil salvaged. Equipment mobilization Hand seeding & fertil- izing; Two men + Mileage. Approved seed mix 5.6 lbs. Diammonium Phosphate 50 lbs.	Case 880 Trackhoe	10 22 4	950.00 150.00 95.00 71.17 11.10
				Total Cost	\$1277.27
3. (green)	1.75	Four areas currently under reclamation to be released by DOGM in near future.			N/C
4. (blue 1997)	1.34	Recountouring slope & redistribution of topsoil Equipment mobilization Hand seeding & Fert.; Two men + mileage Approved seed mix 15.00 lbs. Diammonium Phosphate 150 lbs.	D-7 Cat.	8 2 8	600.00 150.00 175.00 190.59 33.30
				Total Cost	\$1148.89
5. (blue 1998)	1.47	Reshape slopes & walls Recontour terraces & redistribute topsoil Equipment mobilization Hand seeding & fert.; Two men + mileage Seed Mix 16.46 lbs. Diammonium Phosphate 150	Case 880 Trackhoe D-7 Cat.	8 4 10	760.00 600.00 300.00 215.00 209.07 33.30
				Total Cost	\$2117.37

<u>Map Color</u>	<u>Acreage</u>	<u>Reclamation Treatment</u>	<u>Equipment</u>	<u>Hrs.</u>	<u>Cost</u>
6. (Blue 1999)	1.01	Reshaping slopes & walls. Recontour terraces & redistribute topsoil. Equipment mobilization Hand seeding & fert.; Two men + mileage Seed mix 11.2 lbs Diammonium Phosphate 100 lbs.	Case 880 Trackhoe D-7 Cat.	8 6 4 8	760.00 450.00 300.00 175.00 142.23 22.20
Total Cost					\$1849.43
7. (Blue 2000)	1.28	Reshaping slopes & walls. Recontour terraces & redistribute topsoil. Equipment mobilization Hand seeding & fert.; Two men + mileage Seed mix 14.34 lbs. Diammonium Phosphate 125 lbs.	Case 880 Trackhoe D-7 Cat	8 7 4 8	760.00 525.00 300.00 175.00 182.05 27.75
Total Cost					\$1969.80
8. (Blue 2001)	1.28	Reshaping slopes & walls. Recontour terraces & redistribute topsoil. Equipment mobilization Hand seeding & fert.; Two men + mileage Seed mix 14.34 lbs. Diammonium Phosphate 125 lbs.	Case 880 Trackhoe D-7 Cat	8 7 4 8	760.00 525.00 300.00 175.00 182.05 27.75
Total Cost					\$1969.80
9. (Red)	4.42	Slopes and low areas reshaped and roughened; Drainage restored, no topsoil salvaged. Equipment mobilization. Hand seeding & fert.; Two men + mileage Seed mix 49.5 lbs. Diammonium Phosphate 450 lbs	Case 880 Trackhoe	20 2 24	1900.00 150.00 525.00 628.66 99.90
Total Cost					\$3303.56
10. (yellow)	0.75±	Mine dumps reshaped & roughened, no topsoil salvaged. Equipment mobilization Hand seeding & fert.; Two men + mileage Seed Mix 8.4 lbs. Diammonium Phosphate 75 lbs.	Case 880 Trackhoe	8 2 8	760.00 150.00 175.00 106.67 16.65
Total Cost					\$1208.32
11. N/A	N/A	Fencing two shafts; steel posts, chain-link fencing, Labor.			224.00

COST & MATERIALS BREAKDOWN

1. Case 580 Backhoe = \$55.00/hr
2. Case 880 Trackhoe = \$95.00/hr.
3. Caterpillar D-7 = \$75.00/hr.
4. Equipment mobilization = \$75.00/hr.
5. Labor for hand seeding = \$10.00/hr.
6. Mileage for labor; pickup truck = 30¢/mile
7. Approved Seed Mix (11 different species) @ 11.2 lbs/acre.
8. Approved seed mix cost per acre = \$142.23/acre.
9. Approved seed mix cost per pound = \$12.70/lb.
10. Approved seed mix composition:
 - a. High-crest crested wheat grass = 1/lb ac.
 - b. Intermediated Wheat grass = 2/lb ac.
 - c. Western wheat grass = 2/lb ac.
 - d. Indian Rice grass = 2.5/lb ac.
 - e. Yellow sweet clover = .5/lb ac.
 - f. Palmer Penstemon = .5/lb ac.
 - g. Scarlet globe mallow = .5/lb ac.
 - h. Wyoming big sage brush = .2/lb ac.
 - i. Shadscale = 1/lb ac.
 - j. Rubber Rabbit brush = .5/lb ac.
 - k. Forage kochia = .5/lb ac.
11. Diammonium Phosphate fertilizer = \$11.10/ 50 lb. bag.
12. Steel T-posts, 7' for fencing = \$3.99 each.
13. Chain-link fencing 5' high = \$1.75/ft.
14. Labor for fencing shafts = \$10.00/hr.
15. Mileage for labor to fence shafts; pickup truck = 30¢/mile.